

# UNITED STATES DEPARTMENT of the INTERIOR

★ news release

OFFICE OF THE SECRETARY

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## CONTRACT FOR PROCESSING ALASKA SEALSKINS TO BE CANCELED

The Department of the Interior announced today it has advised the Fouke Fur Company of St. Louis, Missouri, that the company's contract with the Federal Government for processing and selling Alaska fur sealskins will be terminated on December 31, 1962.

The decision to end the contract stemmed from the company's notice to the Department that it will move its operations from St. Louis to Greenville, South Carolina, said Administrative Assistant Secretary D. Otis Beasley. Mr. Beasley, who met earlier this week with representatives of the Fouke Fur Company, said its decision to move was announced without consultation or discussion with representatives of the Department of the Interior, although about 50 percent of the firm's business by volume results from the contract with the Government.

Assistant Secretary Beasley said that because of the extent to which the company's operations depend upon its Federal business, the firm should have consulted first with the Department to learn whether the relocation would adversely affect the Government's responsibility for administering and managing valuable Alaska fur-seal resources, including sealskins and by-products.

Firms holding negotiated contracts with the Federal Government must meet certain requirements, such as business reputation, capacity, and responsibility, Mr. Beasley said.

"In view of the extent to which the Fouke Fur Company is engaged in doing business with the Government, its decision to relocate without consulting or discussing plans with the Department of the Interior, and because of the adverse impact such relocation will have on the economy of the city of St. Louis as well as the company's employees and their families, the Department had no alternative but to conclude that the company does not possess the business characteristics so essential to a negotiated contract with the Federal Government," Mr. Beasley said.

He explained that proper harvesting and processing of fur seal is part of a scientific management program in which the State of Alaska and the natives of the Pribilof Islands, where the animals are taken, are vitally concerned.

The contract between the fur company and the Government has existed 40 years on a negotiated basis. Contracts have been amended many times during the period.

Since the signing of the fur-seal treaty in 1911 between the United States, Canada, Japan, and Russia, the United States has been responsible for administering the Alaska fur-seal industry.

Mr. Beasley pointed out that scientific management of the fur seal has resulted in an increase from an estimated 125,000 animals to some one and one-half million at present. The program now permits the taking of some 90,000 sealskins annually.

This Government's share of the sealskins has been processed and sold by the Fouke Fur Company under the contract being terminated.

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